

IN THE SUPREME COURT OF THE STATE OF MONTANA

NO. 05-336

JIM ELLIOTT,

Petitioner/Appellant,

-VS-

THE MONTANA DEPARTMENT
OF REVENUE,

Respondent/Respondent,

MONTANA TAXPAYERS'
ASSOCIATION,

Intervenor.

FILED

OCT 14 2005

J. Smith

CLERK OF THE SUPREME CO
STATE OF MONTANA

INTERVENOR'S RESPONSE BRIEF

ON APPEAL FROM THE FIRST JUDICIAL DISTRICT COURT
LEWIS AND CLARK COUNTY, Cause No. CDV-2004-777

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B. 26 U.S.C. § 6103(a) and § 6103(p)(8) prohibit the State of Montana from disclosing federal tax return information that is contained on a state tax return form.

Federal law expressly prohibits an employee of the State of Montana from publicly disclosing federal income tax returns or federal return information:

(a) General rule. Returns and return information shall be confidential, and except as authorized by this title---

...
(2) no officer or employee of any State, any local law enforcement agency receiving information under subsection (1)(7)(A), any local child support enforcement agency, or any local agency administering a program listed in subsection (1)(7)(D) who has or had access to returns or return information under this section.
...

shall disclose any return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section. For purposes of this subsection, the term "officer or employee" includes a former officer or employee.

26 U.S.C. § 6103(a). Federal law broadly defines the term "return information" to include such basic information as the taxpayer's identity and the nature, source, or amount of its taxable income:

(2) Return information. The term "return information" means---
(A) a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense,

26 U.S.C. § 6103(b)(2). These provisions are specifically intended “to regulate and restrict access to tax returns and return information by the many government bodies and agencies that routinely had access to such information under former section 6103.” *Chamberlain v. Kurtz*, 589 F.2d 827-835-6 (5th Cir. 1979). See also *Church of Scientology of California v. Internal Revenue Serv.*, 484 U.S. 9, 16 (1987) (“One of the major purposes in revising § 6103 was to tighten the restrictions on the use of return information by entities other than the [Internal Revenue Service]”).

A special federal requirement applies when a state requires attachment of the federal income tax return to the state income return:

- (8) **State law requirements.** (A) Safeguards. Notwithstanding any other provision of this section, no return or return information shall be disclosed after December 31, 1978, to any officer or employee of any State which requires a taxpayer to attach to, or include in, any State tax return a copy of any portion of his Federal return, or information reflected on such Federal return, unless such State adopts provisions of law which protect the confidentiality of the copy of the Federal return (or portion thereof) attached to, or the Federal return information reflected on, such State tax return.

26 U.S.C. § 6103(p)(8)(emphasis added). Accordingly, when Montana chose to require attachment of the federal return, it obligated itself to protect against the public disclosure of federal return information reflected on the state return form.

Faced with these clear expressions of binding federal law, and the undisputed facts, the District Court correctly held that “by tying its corporate tax system to the federal system, Montana has subjected itself to the requirements of federal law.” Slip Op. at 10. The District Court necessarily held that the confidential tax information requested by Senator Elliott included federal return



Montana Department of
REVENUE

2003 Corporation License Tax Return

For calendar year 2003 or tax year beginning

2003, ending

20

MONTANA
Form CLT-4
Rev. 8-03

Check if applicable Initial Return Final Return	Corporation Name		FEIN
	Address		Federal Business Code
	City		Incorporated in State of
	State	Zip + 4	Date
Reporting Method: Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (please specify) _____			Date Qualified in Montana

1. Taxable income per federal return (line 28) (copy of Federal Form 1120 must be attached)	1.	Line 28, Form 1120
2. Add: a. Montana corporation license tax (attach breakdown of Federal Form 1120 line 17)	2a	Line 17, Form 1120
b. Other state, local, foreign, and franchise taxes based on income	2b	Line 17, Form 1120
c. Federal tax exempt interest	2c	Line 7, Sch. M-1, Form 1120
d. Contributions used to compute qualified endowment credit	2d	Included on line 19, Form 1120
e. Extraterritorial income exclusion	2e	Form 8873, line 52 - carries to line 26, Form 1120
f. Other additions (a detailed breakdown must be attached)	2f	
Total additions	2.	
3. Subtract: a. IRC Section 243 dividend received deduction	3a	Schedule C, Form 1120 - based on line 4, Form 1120
b. Nonbusiness income (a detailed breakdown must be attached)	3b	various lines on Form 1120, if applicable
c. Other reductions (a detailed breakdown must be attached)	3c	capital losses - line 8, Form 1120
d. Montana recycling deduction (attach Form RCYL-CT)	3d	not tied directly to federal return
Total reductions	3.	
4. Adjusted taxable income (line 1 + line 2 - line 3)	4.	
5. Income apportioned to Montana (line 4 x _____ % from Schedule K, line 5)	5.	Multi-state taxpayers only
6. Income allocated directly to Montana (multi-state taxpayers only; a detailed breakdown must be attached)	6.	
7. Montana taxable income before net operating loss (line 5 + line 6 or enter amount reported on line 4)	7.	
If line 7 is a loss, do you wish to forego the net operating loss carryback provision? <input type="checkbox"/> Yes <input type="checkbox"/> No		
*If a loss is reported on line 7 and neither box is checked, the loss must be carried back.		
8. Montana net operating loss carryover (a detailed schedule must be attached)	8.	
9. Montana taxable income (line 7 - line 8)	9.	
10. Montana tax liability (line 9 x 6.75%; line 9 x 7% for those corporations electing a water's edge filing)	10.	*
Not to be less than the minimum tax liability of \$50; minimum tax applies to each corporation with Montana activity <input type="checkbox"/> Alternative Tax		
11. Subtract: a. 2002 overpayment	11a	
b. Tentative payment	11b	
c. Quarterly estimated tax payments	11c	
Total payments	11.	
12. Subtract: Credits (from Schedule C)	12.	
13. Tax due (line 10 - line 11 - line 12 - send your payment with the coupon provided in the booklet)	13.	
14. Interest from due date @ 12% per annum	14.	
15. Estimated tax underpayment interest penalty (attach Form CLT-4UT)	15.	<input type="checkbox"/> Check box for annualized income or adjusted seasonal income method.
16. Penalty: a. Late filing penalty (see instructions)	16a	
b. Late payment penalty (see instructions)	16b	
Total penalty payment	16.	
17. Total due or overpayment (line 13 + 14 + 15 + 16)	17.	
18. Overpayment to be credited to 2004 estimated tax	18.	
19. Refund due	19.	

☐ Check here if you do not need the Montana Corporate License Tax Return and instructions sent to you next year.
Please answer all questions on page 2 of this form

Declaration

This return must be signed by one of the following: president, vice-president, treasurer, assistant treasurer, or chief accounting officer. I, the undersigned officer of the corporation for which this return is made, hereby declare that this return, including all accompanying schedules and statements, is, to the best of my knowledge and belief, a true, correct and complete return, made in good faith for the income period stated, pursuant to the Montana corporation license tax law and regulations.

Signature of officer	Date	Name of person or firm preparing return	Date
Title	Telephone number	Address and Zip Code	Telephone number
Copy of Federal Form 1120 Must be Attached		Attach remittance payable to Department of Revenue	Preparer's ID

Schedule K

FEIN

Year

Apportionment Factors for Multistate Taxpayers

Property Factor:	A. Everywhere	B. Montana	C. Factor
Use average value for real and tangible personal property			(B divided by A = C)
Land <i>Line 12, Schedule L, Form 1120</i>			<i>not specifically from Form 1120, federal return</i>
Buildings <i>Line 10a, Schedule L, Form 1120</i>			
Machinery			
Equipment			
Furniture and fixtures			
Inventories <i>Line 3, Schedule L, Form 1120</i>			
Supplies and other <i>Line 6, Schedule L, Form 1120</i>			
Rents x 8 <i>Line 11a, Form 1120 or Line 5, Sch. A, Form 1120</i>			
Total Property			%

2. Payroll Factor:

Compensation of officers <i>Line 12, Form 1120 (carried from line 4, Sch. E, Form 1120)</i>		
Salaries and wages <i>Line 13, Form 1120</i>		
Payroll included in:		
Costs of goods sold <i>Line 3, Sch. A, Form 1120</i>		
Repairs <i>Line 14, Form 1120</i>		
Other deductions <i>Line 26, Form 1120</i>		
Total Payroll		%

payroll is typically only one component of these figures

3. Sales (Gross Receipts) Factor:

Gross sales, less returns <i>Line 10, Form 1120</i>		
Other (attach schedule) <i>would come from specific lines on Form 1120, such as lines 6, 7, 9, 10</i>		
Total Sales		%

4. **Sum of Factors** (add lines 1, 2, and 3) %

5. Apportionment Factor (1/3 of line 4; if less than 3 factors exist, see instructions)

(enter here and on line 5, page 1) %

The following questions are required of multistate taxpayers only (circle yes or no).

- Yes No 1. Did you at the end of the taxable year own, directly or indirectly, 50% or more of the outstanding voting stock of a domestic corporation? If "yes," attach a schedule showing name, address, and percentage owned. *Line 3, Schedule K, Form 1120*
- Yes No 2. Were you a U.S. shareholder of any controlled foreign corporation? If "yes," you must attach a schedule showing name, address, and percentage owned.
- Yes No 3. Did any individual, partnership, corporation, estate, or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock? If "yes," you must attach a schedule showing name, address, and percentage owned. *Line 5, Schedule K, Form 1120*
- Yes No 4. If the answer to question 3 is "yes," did the same individual, partnership, corporation, estate, or trust at the end of the taxable year also own, directly or indirectly, 50% or more of the voting stock of another (brother-sister) corporation? If "yes," you must attach a schedule of the other corporate entity(ies).
5. Check applicable filing method: (Please note: Combined filings are required for all members of a "unitary" group.)
- _____ Separate Company Apportionment
- _____ Separate Accounting
- _____ Worldwide Combination
- _____ Domestic Combination
- _____ Limited Combination
- _____ Water's Edge Return (must have a valid election)

§ 6101. Period covered by returns or other documents.

When not otherwise provided for by this title, the Secretary may by regulations prescribe the period for which, or the date as of which, any return, statement, or other document required by this title or by regulations, shall be made.

(Aug. 16, 1954, ch 736, 68A Stat. 753; Oct. 4, 1976, P. L. 94-455, Title XIX, § 1906(b)(13)(A), 90 Stat. 1834.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES**Amendments:**

In 1976, P.L. 94-455, Sec. 1906(b)(13)(A), substituted "Secretary" for "Secretary or his delegate" in Code Sec. 6101, effective 2/1/77.

CODE OF FEDERAL REGULATIONS

Internal Revenue Service, Department of the Treasury—Excise tax procedural regulations, 26 CFR Part 40.

Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury—Manufacturers excise taxes—firearms and ammunition, 27 CFR Part 53.

INTERPRETIVE NOTES AND DECISIONS

Object of payment on account of income tax, and its consequent allocation to taxes assessed for various periods, is in each instance defined by the intention of taxpayer, to be ascertained from all relevant facts and circumstances: to determine such intention court may look to returns filed, even though they erroneously

embraced period which did not coincide with the fiscal period for which return was prescribed. *American Hide & Leather Co. v United States* (1932) 284 US 343, 76 L Ed 331, 52 S Ct 154, 3 USTC ¶ 855, 10 AFTR 775.

§ 6102. Computations on returns or other documents.

(a) **Amounts shown on Internal Revenue forms.** The Secretary is authorized to provide with respect to any amount required to be shown on a form prescribed for any internal revenue return, statement, or other document, that if such amount of such item is other than a whole-dollar amount, either—

(1) the fractional part of a dollar shall be disregarded; or

(2) the fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case the amount (determined without regard to the fractional part of a dollar) shall be increased by \$1.

(b) **Election not to use whole dollar amounts.** Any person making a return, statement, or other document shall be allowed, under regulations prescribed by the Secretary, to make such return, statement, or other document without regard to subsection (a).

(c) **Inapplicability to computation of amount.** The provisions of subsections (a) and (b) shall not be applicable to items which must be taken into account in making the computations necessary to determine the amount required to be shown on a form, but shall be applicable only to such final amount.

(Aug. 16, 1954, ch 736, 68A Stat. 753; Oct. 4, 1976, P. L. 94-455, Title XIX, § 1906(b)(13)(A), 90 Stat. 1834.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES**Amendments:**

In 1976, P.L. 94-455, Sec. 1906(b)(13)(A), substituted "Secretary" for "Secretary or his delegate" each place it appeared in Code Sec. 6102, effective 2/1/77.

CODE OF FEDERAL REGULATIONS

Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury—Manufacturers excise taxes—firearms and ammunition, 27 CFR Part 53.

Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury—Procedure and administration, 27 CFR Part 70.

RESEARCH GUIDE**Am Jur:**

33 Am Jur 2d, Federal Taxation (2002) § 1716.

§ 6103. Confidentiality and disclosure of returns and return information.

(a) **General rule.** Returns and return information shall be confidential, and except as authorized by this title—

(1) no officer or employee of the United States,

(2) no officer or employee of any State, any local law enforcement agency receiving information under subsection (i)(7)(A), any local child support enforcement agency, or any local agency

administering a program listed in subsection (l)(7)(D) who has or had access to returns or return information under this section, and

(3) no other person (or officer or employee thereof) who has or had access to returns or return information under subsection (e)(1)(D)(iii), paragraph (6), (12), or (16) of subsection (l), paragraph (2) or (4)(B) of subsection (m), or subsection (n),

shall disclose any return or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this section. For purposes of this subsection, the term "officer or employee" includes a former officer or employee.

(b) **Definitions.** For purposes of this section—

(1) **Return.** The term "return" means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of this title which is filed with the Secretary by, on behalf of, or with respect to any person, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return so filed.

(2) **Return information.** The term "return information" means—

(A) a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense,

(B) any part of any written determination or any background file document relating to such written determination (as such terms are defined in section 6110(b)) which is not open to public inspection under section 6110,

(C) any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement, and

(D) any agreement under section 7121, and any similar agreement, and any background information related to such an agreement or request for such an agreement,

Ve but such term does not include data in a form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer. Nothing in the preceding sentence, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining such standards, if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws.

(3) **Taxpayer return information.** The term "taxpayer return information" means return information as defined in paragraph (2) which is filed with, or furnished to, the Secretary by or on behalf of the taxpayer to whom such return information relates.

(4) **Tax administration.** The term "tax administration"—

(A) means—

(i) the administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws or related statutes (or equivalent laws and statutes of a State) and tax conventions to which the United States is a party, and

(ii) the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes, and tax conventions, and

(B) includes assessment, collection, enforcement, litigation, publication, and statistical gathering functions under such laws, statutes, or conventions.

(5) **State.** The term "State" means—

(A) any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and

(B) for purposes of subsections (a)(2), (b)(4), (d)(1), (h)(4), and (p) any municipality—

(i) with a population in excess of 250,000 (as determined under the most recent decennial United States census data available),

(ii) which imposes a tax on income or wages, and

(iii) with which the Secretary (in his sole discretion) has entered into an agreement regarding disclosure.

(6) **Taxpayer identity.** The term "taxpayer identity" means the name of a person with respect to whom a return is filed, his mailing address, his taxpayer identifying number (as described in section 6109), or a combination thereof.

(7) **Inspection.** The terms "inspected" and "inspection" mean any examination of a return or return information.

(8) **Disclosure.** The term "disclosure" means the making known to any person in any manner whatever a return or return information.

(9) **Federal agency.** The term "Federal agency" means an agency within the meaning of section 551(1) of title 5, United States Code.

(10) **Chief executive officer.** The term "chief executive officer" means, with respect to any municipality, any elected official and the chief official (even if not elected) of such municipality.

(11) **Terrorist incident, threat, or activity.** The term "terrorist incident, threat, or activity" means an incident, threat, or activity involving an act of domestic terrorism (as defined in section 2331(5) of title 18, United States Code) or international terrorism (as defined in section 2331(1) of such title).

(c) **Disclosure of returns and return information to designee of taxpayer.** The Secretary may, subject to such requirements and conditions as he may prescribe by regulations, disclose the return of any taxpayer, or return information with respect to such taxpayer, to such person or persons as the taxpayer may designate in a request for or consent to such disclosure, or to any other person at the taxpayer's request to the extent necessary to comply with a request for information or assistance made by the taxpayer to such other person. However, return information shall not be disclosed to such person or persons if the Secretary determines that such disclosure would seriously impair Federal tax administration.

(d) **Disclosure to State tax officials and State and local law enforcement agencies.** (1) In general. Returns and return information with respect to taxes imposed by chapters 1, 2, 6, 11, 12, 21, 23, 24, 31, 32, 44, 51, and 52 and subchapter D of chapter 36 shall be open to inspection by, or disclosure to, any State agency, body, or commission, or its legal representative, which is charged under the laws of such State with responsibility for the administration of State tax laws for the purpose of, and only to the extent necessary in, the administration of such laws, including any procedures with respect to locating any person who may be entitled to a refund. Such inspection shall be permitted, or such disclosure made, only upon written request by the head of such agency, body, or commission, and only to the representatives of such agency, body, or commission designated in such written request as the individuals who are to inspect or to receive the returns or return information on behalf of such agency, body, or commission. Such representatives shall not include any individual who is the chief executive officer of such State or who is neither an employee or legal representative of such agency, body, or commission nor a person described in subsection (n). However, such return information shall not be disclosed to the extent that the Secretary determines that such disclosure would identify a confidential informant or seriously impair any civil or criminal tax investigation.

(2) **Disclosure to State audit agencies.** (A) In general. Any returns or return information obtained under paragraph (1) by any State agency, body, or commission may be open to inspection by, or disclosure to, officers and employees of the State audit agency for the purpose of, and only to the extent necessary in, making an audit of the State agency, body, or commission referred to in paragraph (1).

(B) State audit agency. For purposes of subparagraph (A), the term "State audit agency" means any State agency, body, or commission which is charged under the laws of the State with the responsibility of auditing State revenues and programs.

(3) **Exception for reimbursement under section 7624.** Nothing in this section shall be construed to prevent the Secretary from disclosing to any State or local law enforcement agency which may receive a payment under section 7624 the amount of the recovered taxes with respect to which such a payment may be made.

(4) **Availability and use of death information [Caution: For postponement of effective date of this paragraph with respect to certain States, see P.L. 103-66, Sec. 13444(b), which appears as a note to this section.].** (A) In general. No returns or return information may be disclosed under paragraph (1) to any agency, body, or commission of any State (or any legal representative thereof) during any period during which a contract meeting the requirements of subparagraph (B) is not in effect between such State and the Secretary of Health and Human Services.

(B) Contractual requirements. A contract meets the requirements of this subparagraph if—

(i) such contract requires the State to furnish the Secretary of Health and Human Services information concerning individuals with respect to whom death certificates (or equivalent documents maintained by the State or any subdivision thereof) have been officially filed with it, and

(ii) such contract does not include any restriction on the use of information obtained by such Secretary pursuant to such contract, except that such contract may provide that such information is only to be used by the Secretary (or any other Federal agency) for

or the General Accounting Office or the Congressional Budget Office has failed to, or does not, meet the requirements of this paragraph, he may, after any proceedings for review established under paragraph (7), take such actions as are necessary to ensure such requirements are met, including refusing to disclose returns or return information to such agency, body, or commission including an agency or any other person described in subsection (l)(16) or (17), or the General Accounting Office or the Congressional Budget Office until he determines that such requirements have been or will be met. In the case of any agency which receives any mailing address under paragraph (2), (4), (6), or (7) of subsection (m) and which discloses any such mailing address to any agent, or which receives any information under paragraph (6)(A), (12)(B) or (16) of subsection (l) and which discloses any such information to any agent, or any person including an agent described in subsection (l)(16), this paragraph shall apply to such agency and each such agent or other person (except that, in the case of an agent, or any person including an agent described in subsection (l)(16), any report to the Secretary or other action with respect to the Secretary shall be made or taken through such agency). For purposes of applying this paragraph in any case to which subsection (m)(6) applies, the term "return information" includes related blood donor records (as defined in section 1141(h)(2) of the Social Security Act).

(5) Report on procedures and safeguards. After the close of each calendar year, the Secretary shall furnish to each committee described in subsection (f)(1) a report which describes the procedures and safeguards established and utilized by such agencies, bodies, or commissions, the General Accounting Office, and the Congressional Budget Office for ensuring the confidentiality of returns and return information as required by this subsection. Such report shall also describe instances of deficiencies in, and failure to establish or utilize, such procedures.

(6) Audit of procedures and safeguards. (A) Audit by Comptroller General. The Comptroller General may audit the procedures and safeguards established by such agencies, bodies, or commissions and the Congressional Budget Office pursuant to this subsection to determine whether such safeguards and procedures meet the requirements of this subsection and ensure the confidentiality of returns and return information. The Comptroller General shall notify the Secretary before any such audit is conducted.

(B) Records of inspection and reports by the Comptroller General. The Comptroller General shall—

(i) maintain a permanent system of standardized records and accountings of returns and return information inspected by officers and employees of the General Accounting Office under subsection (i)(8)(A)(ii) and shall, within 90 days after the close of each calendar year, furnish to the Secretary a report with respect to, or summary of, such records or accountings in such form and containing such information as the Secretary may prescribe, and

(ii) furnish an annual report to each committee described in subsection (f) and to the Secretary setting forth his findings with respect to any audit conducted pursuant to subparagraph (A).

The Secretary may disclose to the Joint Committee any report furnished to him under clause (i).

(7) Administrative review. The Secretary shall by regulations prescribe procedures which provide for administrative review of any determination under paragraph (4) that any agency, body, or commission described in subsection (d) has failed to meet the requirements of such paragraph.

(8) State law requirements. (A) Safeguards. Notwithstanding any other provision of this section, no return or return information shall be disclosed after December 31, 1978, to any officer or employee of any State which requires a taxpayer to attach to, or include in, any State tax return a copy of any portion of his Federal return, or information reflected on such Federal return, unless such State adopts provisions of law which protect the confidentiality of the copy of the Federal return (or portion thereof) attached to, or the Federal return information reflected on, such State tax return.

(B) Disclosure of returns or return information in state returns. Nothing in subparagraph (A) shall be construed to prohibit the disclosure by an officer or employee of any State of any copy of any portion of a Federal return or any information on a Federal return which is required to be attached or included in a State return to another officer or employee of such State (or political subdivision of such State) if such disclosure is specifically authorized by State law.

(q) Regulations. The Secretary is authorized to prescribe such other regulations as are necessary to carry out the provisions of this section.

(Aug. 16, 1954, ch 736, 68A Stat. 753; Sept. 2, 1964, P. L. 88-563, § 3(c), 78 Stat. 844; June 21, 1965, P. L. 89-44, Title VI, § 601(a), 79 Stat. 153; Nov. 2, 1966, P. L. 89-713, § 4(a), 80 Stat. 1109; Sept. 2, 1974, P. L. 93-406, Title II, § 1022(h), 88 Stat. 941; Jan. 2, 1976, P. L. 94-202,

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